



Department of Justice

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SOUTHERN CALIFORNIA FREIGHT CO. PLEADS GUILTY TO MAKING FALSE STATEMENTS RELATED TO MILITARY MOVING PROGRAM

Company Sentenced to Pay \$120,000 Criminal Fine

WASHINGTON — A southern California freight company today has pleaded guilty and was sentenced to pay a \$120,000 criminal fine for making false statements related to the Department of Defense's (DOD) program to ship military household goods between Europe and the United States and between the United States mainland and Hawaii, the Department of Justice announced.

The Department charged that Ryan's World Inc., a Long Beach, Calif., freight forwarder, filed false documents with the DOD's Military Traffic Management Command (MTMC). The MTMC, which is based in Alexandria, Va., was reorganized in 2004, and is now known as the Military Surface Deployment and Distribution Command.

Ryan's World is the sixth company to be charged as a result of the Department's ongoing antitrust investigation of anticompetitive and fraudulent conduct in the movement of military household goods. Five companies have previously been charged with participating in conspiracies to restrain trade in the transportation of military household goods, and more than \$10 million in criminal fines have been imposed.

According to the one-count felony information filed today in the U.S. District Court in Alexandria, Va., the false statements and representations included a certification that Ryan's World had no "common financial and/or administrative control" relationship "with any other household goods carrier or forwarder," when, in fact, it had such a relationship. Under MTMC rules, freight forwarders in a "common financial and/or administrative control relationship" are prohibited from competing with each other by filing rates to transport military household goods in the same traffic channels.

"Making false statements to the U.S. government is a serious crime and violators will be prosecuted," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "Today's charge demonstrates the Antitrust Division's ongoing commitment to ensure that the movement of military household goods are provided in a competitive marketplace."

In recent years, the DOD has spent more than \$180 million annually to move the household goods of its military and civilian personnel from Europe to the United States, the Justice Department said.

The five companies previously charged are:

- Executive Relocation International Inc., headquartered in Woodbridge, Va., pleaded guilty in March 2006, and was sentenced to pay \$72,600;
- Allied Freight Forwarding Inc., headquartered in Westmont, Ill., pleaded guilty and was sentenced in February 2006 to pay a \$1.04 million fine;
- Cartwright International Van Lines Inc., headquartered in Grandview, Miss., pleaded guilty and was sentenced in April 2004 to pay a \$250,000 fine;
- Gosselin World Moving N.V., headquartered in Belgium, pleaded guilty in September 2004 and was sentenced to pay a \$6 million fine; and
- The Pasha Group, headquartered in Corte Madera, Calif., pleaded guilty in September 2004 and was sentenced to pay a \$4.6 million fine.

The investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section with the assistance of the DOD Office of Inspector General, Defense Criminal Investigative Service and the Army Criminal Investigation Division. Anyone with information concerning price fixing, bid rigging or fraud in the military moving and storage industry or concerning conspiratorial conduct for the purpose of reducing or eliminating competition on any government contract is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694 or the Mid-Atlantic Field Office of the Defense Criminal Investigative Service at 410-529-9054.

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